

Received Registry
77-3616/22

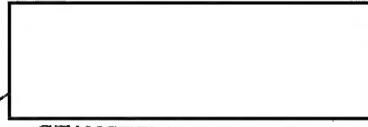
DD/A Registry
77-5347

12 OCT 1977

MEMORANDUM FOR: Deputy Director for Operations
FROM: Director of Central Intelligence
SUBJECT: State/CIA Treaty

Please prepare a Director's Note which announces the new State/CIA Treaty and excerpt from my message of philosophy to the Station Chiefs so that all hands can benefit by the basic thoughts in that message.

STATINTL


For STANSFIELD TURNER

STAT

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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

15 June 1977

MEMORANDUM FOR ALL EMPLOYEES

1. I have invited all employees to direct written and private communications to me whenever they have comments or suggestions that they wish to bring to my attention. One recent memorandum contained a suggestion that boxes be provided in which employees could place their written suggestions, comments, opinions or ideas. It was further suggested that these comments be addressed to office directors or equivalent levels of senior management.
2. There is a need to open more personalized communications in the Agency, and I believe that this suggestion has considerable merit. I have, therefore, directed that such a program be implemented on a trial basis for 90 days.
3. Beginning 15 June 1977, suggestion boxes will be placed in close proximity to the guard desks at the following buildings:

Ames
Chamber of Commerce

South
Key

STATINTL

STATINTL

In the Headquarters Building, they will be at the following locations:

Main Receptionist Area
Security Duty Office
Guard's Desk, South Cafeteria
Guard's Desk, North Cafeteria

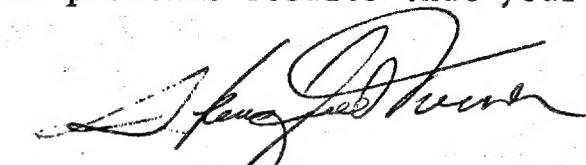
Employees working in other locations may forward their comments to:

"Suggestion Box"
c/o Chief, Benefits & Services Division
Room 5E56, Headquarters Building

4. Suggestions and comments may be submitted in any manner but should, if possible, be contained in a sealed envelope addressed to the appropriate office director or senior official. Envelopes received in this manner will be forwarded directly to the addressee unopened. The suggestions need not be signed; but if they are, a response will be provided by the office to which the communication is addressed.

5. It is recognized that many of the comments will be of a classified nature, and information through the SECRET level may be deposited in these special suggestion boxes. Suggestions involving material classified above the SECRET level or involving special clearance material can be delivered directly to the office of the Chief, Benefits and Services Division in Room 5E56, Headquarters Building.

6. I encourage each one of you to recognize this opportunity, and look forward to the positive results that your comments will achieve.



STANSFIELD TURNER
Director

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Extract from Morning Meeting Minutes of 20 September 1977

*DR
Note
ST/NR 2 SEP*

STAT

Malanick said that a nonofficial cover officer is being medically evacuated from [redacted]. He went on to advise that he does not have the details as yet.

STAT

Malanick reported that the House Appropriations SGI Team is looking into the pay allowances we provide officers stationed [redacted]

STAT

Malanick noted that the item in the DCI's Notes of 23 August on the Deaf Sign Language Study Group has attracted a great deal of interest. He went on to note that few suggestions are being received in the suggestion box, a total to date of 30.

PERSONNEL

HN [REDACTED]
29 September 1977

NATIONAL EMPLOY THE HANDICAPPED WEEK

2-8 OCTOBER

STATINTL

Reference: HN [REDACTED] dated 9 August 1977

The first full week in October each year is designated as "National Employ the Handicapped Week" (NETH Week). Its primary purpose is to help the public better understand and become more aware of the problems and concerns of people with physical and mental handicaps. The goal of the Week is an America where handicapped people are able to live and work to their fullest potential -- as are most able-bodied people. But, without a job, it's hard -- and not even being given a chance is the worst part.

The theme of this year's NETH Week is: CELEBRATE. Celebrate 1977 as a year of change and progress towards the goal. Celebrate the new consumers: the active, disabled persons who are working together across the nation to bring new power to their cause. Celebrate the abilities of disabled people, focusing on the ways the entire society -- employers, private citizens, government officials -- can together create a climate conducive to equality for disabled people.

President Carter has strongly endorsed the government's commitment to the principles of the handicapped program. In a Memorandum for the Heads of Executive Departments and Agencies, he stated that "our nation can no longer tolerate discrimination against the handicapped" and declared his intention that the "government should set an example for fair employment practices by demonstrating what can be done to make the fullest possible use of the abilities of qualified handicapped people".

The Agency continues to make progress in the Handicapped (including Disabled Veterans) Program -- and much of it is gratifying because it reflects the increased awareness, and personal interest, of many employees working on their own rather than the push of the law. Some of our achievements:

- manual communications machines (MCMs) have been purchased by ODP for official use by their deaf employees;
- an MCM has been installed in the Security Duty Office providing 24-hour emergency contact service for those deaf employees who have similar equipment in their homes;
- sign language instructional courses on videocassettes have been purchased by OTR and made available in the Self-Study Center for interested employees;

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HN [REDACTED]
29 September 1977

PERSONNEL

STATINTL

- three groups of employees are studying sign language on their lunch hours at Headquarters, [REDACTED]
- parking spaces for handicapped visitors have been designated;
- our recruiters have widened their contacts throughout the country to locate qualified handicapped persons to meet our requirements;
- arrangements have been made to substitute an interview for testing of deaf applicants for positions normally requiring testing;
- architectural modifications have been completed at several Agency buildings (lowered water fountains; reconfigured restrooms; ramps);
- the Coordinator has continued to address groups of managers, training courses, etc., on the program;
- the Handicapped Program Advisory Committee (HPAC) has been meeting monthly to discuss ways of solving problems, publicizing the program, etc.

The foregoing are but some of the accomplishments which are included in the annual Report of Accomplishments forwarded to the Civil Service Commission with the 1978 Affirmative Action Plan. A copy of this report in its entirety will be available in the Directorate and component Personnel Offices in the near future. Copies also may be obtained by calling the Coordinator for the Handicapped Program, [REDACTED]

STAT

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

MICHAEL J. MALANICK
Acting Deputy Director
for
Administration

DISTRIBUTION: ALL EMPLOYEES (1-6)

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DRAFT

THE HANDICAPPED PROGRAM

The first full week in October each year is designated as National Employ the Handicapped Week. This Week is the major national event celebrating the abilities of disabled people, and focusing on the ways the entire society -- employers, private citizens, government officials -- can together create a climate conducive to equality for disabled persons.

President Carter's recent statement that "the time for discrimination against the handicapped in the United States is over" means two things to me -- attitudinal barriers towards hiring qualified disabled persons must be torn down; and employment at the highest level for which a person is qualified must be recognized as a right not to be abridged by reason of the existence of a handicapping condition. I share the President's concern for our disabled citizens and support the programs designed to provide full employment and advancement opportunity for those qualified to meet our needs. Having outlined the Agency's policy in HN [redacted] f STATINTL 9 August 1977, I wish to emphasize my personal interest in the progress and activities in this area.

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2

CLASSIFICATION

CONFIDENTIAL
MESSAGE HANDLING INDICATOR

DATE-TIME GROUP

CITE

MESSAGE REFERENCE NUMBER

STAFF

DIRECTOR

CONF: INFO: FILE

- INDEX NO INDEX RETURN TO IP FILES
 DISSEM BY: PER #

25X1A

TO: [REDACTED]

25X1A

4

BOOK CABLE. 4

1. RE TAXATION OF ALLOWANCES, SECRETARY OF TREASURY BLUMENTHAL HAS ADVISED THAT TREASURY DOES NOT INTEND TO PROPOSE REPEAL OF SECTION 912 OF THE INTERNAL REVENUE CODE IN THEIR TAX REFORM PROPOSALS TO THE PRESIDENT, AND THAT NO MODIFICATIONS WILL BE PROPOSED WITHOUT HAVING BEEN DISCUSSED IN ADVANCE WITH THE INTERAGENCY COMMITTEE ON OVERSEAS ALLOWANCES AND BENEFITS. 4

2. HOUSE WAYS AND MEANS COMMITTEE, WHICH IS DEVELOPING THE TAX LEGISLATION, COULD CONCEIVABLY TAKE ACTION ON SECTION 912 WITHOUT PROPOSALS FROM TREASURY DEPARTMENT. HOWEVER, THIS IS CONSIDERED TO BE UNLIKELY, AND PRESENT ASSESSMENT IS THAT SECTION 912 PROBABLY WILL NOT BE AMENDED AT LEAST DURING THIS CONGRESS. 4

3. ALL OVERSEAS DEPARTMENTS AND AGENCIES MOST GRATEFUL FOR SECRETARY BLUMENTHAL'S SUPPORT. STATE POSTS BEING SIMILARLY

4.
2.
3.
DATE:
ORIG:
UNIT:
EXT:

25X1

RELEASING OFFICER
CLASSIFICATION

COORDINATING OFFICERS

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

AUTHENTICATING OFFICER

FORM 12E
11-73

USE PREVIOUS
EDITIONS

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SIGNAL CENTER USE ONLY
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CLASSIFICATION

CONFIDENTIAL

MESSAGE HANDLING INDICATOR

STAFF

DATE-TIME GROUP

CITE

MESSAGE REFERENCE NUMBER

DIRECTOR

CONF: INFO: FILE

INDEX NO INDEX RETURN TO PER
 IP FILES #

ADVISED BY DEPARTMENT. WE WILL KEEP YOU INFORMED OF ANY ADDITIONAL DEVELOPMENTS. 4

25X1A

ORIG: SSA-DDA

REL: DDO {SHACKLEY} -J

4
3
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1

25X1A

25X1A

DATE: 21 SEPT '72

ORIG:

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UNIT:

SSA-DDA

EXT:

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DDO
RELEASING OFFICER

CLASSIFICATION

COORDINATING OFFICERS

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

IDENTIFYING OFFICERS

STATINTL

OLC: [REDACTED] STN DRAFT

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THE SECRETARY OF THE TREASURY
WASHINGTON 20220

September 15, 1977

Dear Warren:

Thank you for your letter of August 22, 1977, enclosing the resolution of the Board of the Foreign Service on section 912, and for your letter of August 26, 1977, setting forth the State Department position on various international tax issues.

Sincerely Blumenthal has advised
With respect to section 912, I can assure you that we do not intend to propose repeal of that section and that no modifications will be proposed without having been discussed in advance with the Inter-Agency Committee on Overseas Allowances and Benefits. I am aware of and sympathetic to the budgetary considerations which any change in section 912 would entail.

I very much appreciate receiving the State Department positions on the various international tax issues which are being reviewed in developing tax reform proposals. I expect to send our recommendations to the President within a few days and will include the State Department positions in that material.

With best regards,

Sincerely,

W. Michael Blumenthal

The Honorable
Warren Christopher
Deputy Secretary of State
Washington, D.C. 20520



Notes from the Director

No. 12

12 September 1977

STATUS OF REORGANIZATION

Work on implementing the reorganization, discussed in "Notes" #10, 23 August, is continuing. As you know, President Carter charged me and Secretary of Defense Brown with drafting and coordinating an Executive Order that would implement the Presidential Directive of 4 August and update Executive Order 11905. Preparation of the new Executive Order has been under the leadership of John McMahon, Acting D/DCI/IC, representing the Community, and Admiral Daniel Murphy, representing the Defense Department. We have reviewed carefully their early draft, and, following several revisions, we are now circulating a revised version to the Community members for coordination.

The details of the NIO/DDI merger have been completed. Official announcement only awaits my briefing of the appropriate Committees of Congress on the reasons for, and objectives of, the merger. As I have emphasized before, neither this merger nor the reorganization as a whole will change either of these components' relationship to the Agency.

Now that Congress is in session, we will proceed as quickly as possible to clear other aspects of the reorganization through the appropriate Congressional channels. We will also take up such other issues as the location and makeup of the National Intelligence Tasking Center, and consideration of potential nominees to head the Center and other new leadership posts.

UNCLASSIFIED PRODUCTION

I think it is noteworthy that the reports the DDI's Office of Economic Research has published in the past five months on the world energy situation and the Soviet economic situation have been receiving a great deal of public and governmental attention. It is clear to me that they are playing a very useful role, inside the government and out, in both their classified and unclassified versions. This is exactly the kind of stimulus good intelligence

analysis is intended to provide in public and governmental decisionmaking processes. While these examples have received more attention because we were able to produce them in an unclassified version, they are only typical of the good work we are producing today in many areas.

EEO ACTIVITIES

I would like to commend the work of those Agency employees responsible for our EEO activities at the 34th National Biennial Convention of Delta Sigma Theta, Inc. in Denver, Colorado last month. Delta is a minority public service sorority committed to academic excellence and community service. In this first year of Agency participation, our representatives discussed Agency career opportunities with some 1,000 delegates, most of whom were graduate-level professionals, and provided information and exhibits on the work of the Agency. I am dedicated to improving the posture of the Agency in the EEO field, and want to express my appreciation to all those involved in this tremendously important work.

BLUEBIRD/ARTICHOKE/MKSEARCH

On two previous occasions in this newsletter I have discussed the revelations of past Agency involvement with chemical and biological testing and experimentation. In my testimony before the Congress on the MKULTRA case, I assured the American people that we would continue our efforts to uncover the details and persons affected by these programs.

Recently, in the course of a routine review of files stored in the Agency Archives, the Office of Security located 14 boxes of material pertaining to BLUEBIRD/ARTICHOKE, which was the code name for testing programs that preceded MKULTRA. Much of the material in this new find is open literature or was obtained from overt sources, but it does provide additional details on the scope of the programs. The activities conducted under BLUEBIRD/ARTICHOKE were brought to the attention of both the Rockefeller Commission and the Senate Select Committee on Intelligence Activities (the Church Committee) during their investigations.

We have also uncovered a few hundred documents pertaining to MKSEARCH which was the umbrella program that replaced MKULTRA. These documents, found among old budget materials, verify that MKSEARCH began in 1964 and was terminated in 1972. They do provide some added details on this program, which we had known very little about. However, we have no reason to believe that the basic files were not destroyed in 1972 as previously reported.

Consistent with my belief that we must be open and forthright in this matter, I have informed the appropriate Senate and House committees of this new material. Sanitized versions of the documents will be released under FOIA

procedures. While this policy of disclosure may be painful and embarrassing to us all, I feel it is absolutely necessary to rebuild and maintain the image and credibility of the Central Intelligence Agency.

TOURS

The dates for running the tours for employees and their families have now been set for 24 September and 1 October. Based on what happens on those two days and the reaction of our CIA families, we will make a final decision on the future of the tour program.



STANSFIELD TURNER
Director

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COMPL. 8/14

The details of the NIO/DDI merger have been ~~finalized~~. Official announcement only awaits my briefing ~~the Senate Select Committee on~~ ^{appropriate} ~~of Congress~~ the reasons for, and objectives of, the merger. I will meet with Committee Chairman Inouye Friday, September 9; the official announcement should follow shortly thereafter. As I have emphasized before, neither this merger nor the reorganization as a whole will change either of these components' relationship to the Agency.

Now that Congress is in session, we will proceed as quickly as possible to clear other aspects of the reorganization through the appropriate Congressional channels. We will also take up such other issues as the location and makeup of the National ^{and} Intelligence Tasking Center, consideration of potential nominees to head the Center, and ~~consideration of potential nominees as the DDCI and other new leadership posts.~~

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

UNCLASSIFIED CONFIDENTIAL SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	AD/DDA		
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ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	

Remarks:

Herewith the "DDI Note" # 12
per your conv with Herb. They
have not been cleared with
ADDCI; understand he is out.

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

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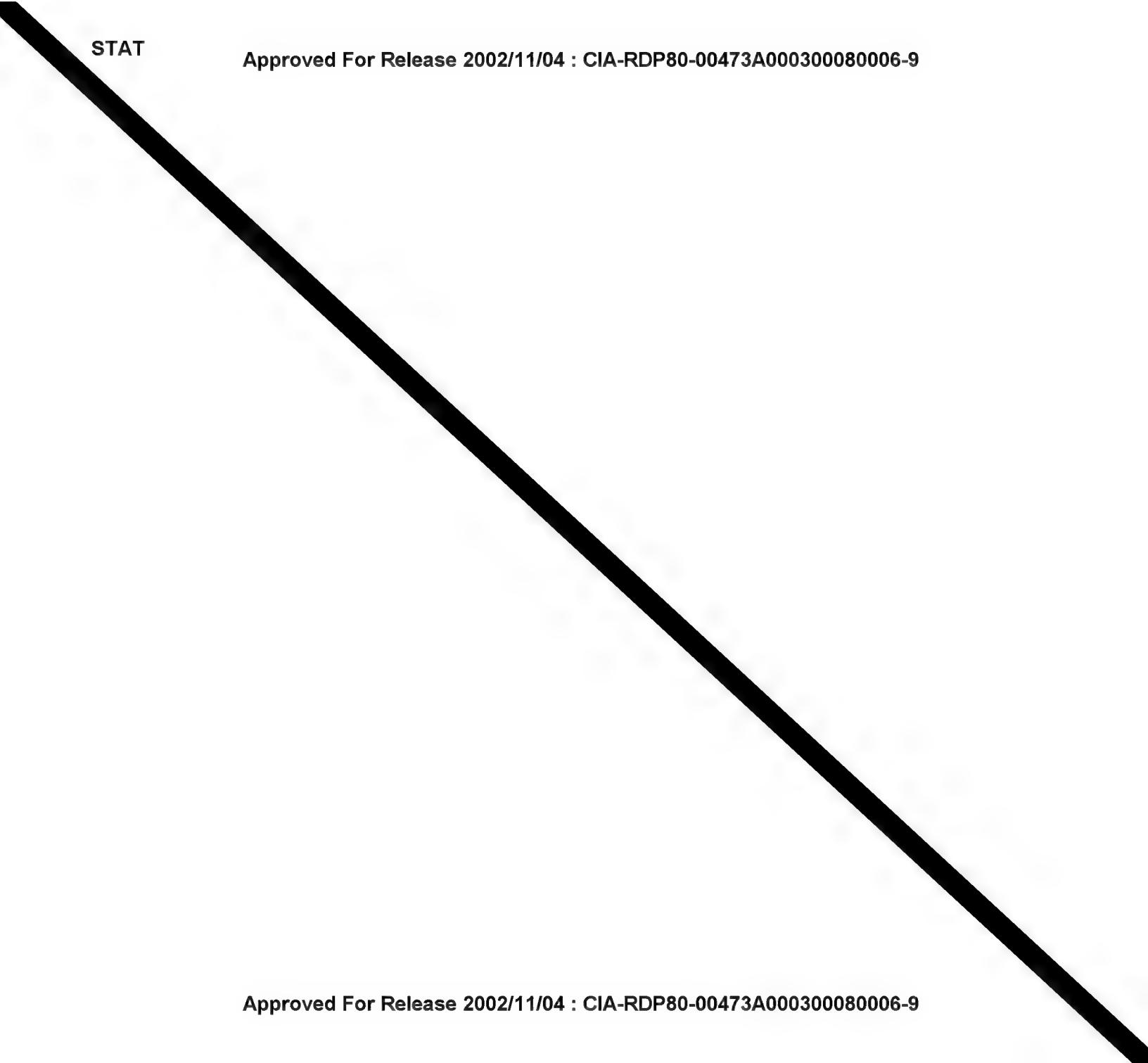
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File 04M-1-2

Visiting Groups

25X1

[redacted] About 45 members of a National Security Agency cryptologic course will visit Headquarters for a briefing program on 24 August. These are noncommissioned and warrant officers with 10-15 years of field experience in SIGINT operations. As a first for any of the Special Programs, this class will tour the Signals Analysis Division Laboratory, Directorate of Science and Technology.

25X1A

[redacted]

Discovery of Additional Project ARTICHOKE Files

25X1

[redacted] On 15 August, fourteen feet of material relating to Project ARTICHOKE was discovered at the Agency Archives and Records Center [redacted]

25X1A

[redacted] The material, relating to the 1949-1956 period, had not been incorporated in the primary Office of Security file index. Although our initial review has been limited, it would appear the material generally does not contain information on major activities not previously reported. It does, however, contain detailed information relating to Projects ARTICHOKE and BLUEBIRD.

25X1

Documents Found in Public Printing Shop

25X1

[redacted] On 17 August, the Agency was alerted to the fact that some documents were found in a printing shop in Herndon, Virginia, which possibly belonged to the Agency or another member of the Intelligence Community. The documents were turned over to the Federal Bureau of Investigation, and the FBI has provided copies to the Office of Security for review. This review is now underway, but has not yet identified their sensitivity nor their origin.

C O N F I D E N T I A L

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Installation of Window Covering

25X1

[] Installation of reflective bronze window covering on the balance of the seventh floor D and E corridor windows could possibly start on the weekend of 27 August, but because of the Labor Day weekend will more likely be scheduled to commence on 10 September. The work is estimated to last two to three weekends, and will include the suites of the DCI and the DDCI.

Project OUTREACH

25X1

[] Invitations for Project OUTREACH will not be printed until the first week in September to allow for last minute text and time changes. The Intelligence Cycle brochure, produced by OTR for use with the project, is scheduled to be completed by 26 August.

Headquarters Closed Circuit Television (CCTV)

25X1

[] A work order in the amount of \$19,730 for the installation of conduit for the CCTV system was hand-carried through channels to GSA on 12 August. This work will be scheduled by LSD and GSA. Requisitions for monitors and distribution electronics have been received from OTR and are being processed for procurement.

Recruitment Brochure

25X1

[] An official of the Immigration and Naturalization Service phoned the Office of Personnel (OP) during the week to discuss the new professional brochure. They are in the process of updating and revising their publications and wanted additional copies. They appeared to be favorably impressed by the Agency's publication. OP recruiters also continue to report that the brochure is in high demand by college placement offices throughout the country. *May I see pls -*

Retirement Activity

25X1

[] Since the official announcement concerning discontinued service was issued on 10 August 1977, our Retirement Operations Branch has experienced a dramatic 100 percent increase in requests for annuity estimates. Applicants for disability retirement have also noticeably increased in number.

Combined Federal Campaign

25X1

[] Forms for the forthcoming CFC campaign have been ordered. The campaign is tentatively scheduled for 8 September through 11 November 1977.

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C O N F I D E N T I A L

C O N F I D E N T I A L

Approved For Release 2002/11/04 : CIA-RDP80-00473A000300080006-9

Military Detail

25X1A [redacted] entered on duty on
11 August 1977 for assignment to NIU.

Consultants

25X1 [redacted] The justification for use of consultants for
FY 1978 has been prepared and forwarded to the Acting DCI. Of
the 59 consultants currently on board, 46 are being recommended
for continuation.
[redacted]

25X1A [redacted] Study Team presented
the results of its SAFE/ADISS Commonality Study to the Intelligence
Research and Development Council on 17 August 1977. The
presentation was generally well received with the exception of
the organizational structure recommended.

Funding of DoD's Phase II Secure Voice Program

25X1 [redacted] The funding of DoD's Phase II secure voice program
still appears to be questionable. DCA is waiting for its
Comptroller to study the Congressional action on the subject.
As a result of the many difficulties encountered with this
program, NCS anticipates that it will be tasked to do a
"common technology study" for secure voice requirements and
systems.

Communications Support to National Intelligence Tasking Center
(NITC)

25X1 [redacted] We are in the second phase of the project of developing
communications support plans for NITC. Though the requirements
are not well defined because of the undeveloped state of the
plans of the IC Staff itself, we are developing cost and time
estimates for the [redacted] facility as well as for a facility
collocated with the OPSCEN at Headquarters. The latter task
was added to the requirements on the 15th. We are continuing
to attempt to get the requirements better defined so they may
be satisfied.

NSA Communications Proposal [redacted]

25X1A

25X1A [redacted] A meeting was held at NSA on 15 August to discuss the
NSA p [redacted] sal that we assume all or part of its traffic handling
[redacted] NSA was again told that we need the requirement
in writing including sufficient detail to allow us to go forward
for a decision. NSA indicated this would be forthcoming.

Good

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C O N F I D E N T I A L

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Notes from the Director

No. 14

4 November 1977

DDO REDUCTION IN FORCE

The DDO has completed notification of all those employees who will be affected by the FY 1978 personnel reduction program. It has not been an easy task for any of us, but I sincerely believe that these reductions are essential to the long-term health of the DDO as an organization. If we are to attract high-quality people, we must present job opportunities that represent a meaningful challenge to them. We cannot be a proud and efficient organization if we are over-staffed. We will endeavor in every way to find other openings within the Agency for DDO people whose skills can be transferred, and to locate others in outside employment. Finally, I would emphasize that our objective in this action has been to strengthen the DDO and to build for its future.

CIA TOURS

As a result of the CIA family tours that were conducted on a test basis on three successive Saturdays, we have concluded that it would be impractical to provide regular public tours at Headquarters. We will, however, continue to provide recognized groups an opportunity to visit the Agency when the visit can be scheduled well in advance. This decision will be announced in a news release on 4 November, which is printed below in its entirety.

DECISION MADE ON CIA TOURS

The CIA will provide groups from recognized organizations and institutions an opportunity to visit its Headquarters building in Langley, Virginia.

However, after several weeks of testing, it has been determined that the Central Intelligence Agency cannot provide regular public tours of the Headquarters.

Serious consideration had been given to such a project for several months. Eight trial tours for members of Agency employees' families were conducted. About 3,700 persons participated in those tours, which consisted of a slide presentation on the history of intelligence and the viewing of several exhibits on the ground floor of the Headquarters building.

The trials confirmed that a wide variety of logistics problems would make it impossible to conduct tours for the general public. It is impractical to conduct public tours on working days because visitors would interfere with the normal business of the Agency. Public tours on weekends also were ruled out primarily because of the very limited number of people who could be accommodated, with the attendant problem of arranging an equitable means of distributing tickets. The number of Agency personnel necessary to operate the tours and maintain necessary security also proved prohibitive.

Arrangements for group visits will be handled on a case by case basis and will only be scheduled for evening hours or on Saturdays. Groups desiring to visit the CIA are advised to write to the CIA Public Affairs Office at least two months in advance of the proposed visit date.

Some of the exhibits used in the test tours will be converted into permanent displays for viewing during such visits.

QUESTIONS FROM OVERSEAS TRIP

During my recent trip to some of our European Stations and Bases, I was asked a good many questions by our personnel over there. I thought you might like to know some of their principal concerns and my responses to them:

Q: What is being done, or can be done, to protect the cover of Station Personnel?

A: Improving cover for our personnel is one of my key concerns. It is unfair to ask our people to make the sacrifices they do and perform the outstanding work they do without the necessary support of good cover. I assure you we are working to achieve this here in Washington, and I am receiving good cooperation in this regard. While I do not see any immediate dramatic steps that can be taken, I am generally optimistic that over the longer run we can make substantial improvements. I also urge all of our personnel to insure that we follow our own security procedures rigorously. We cannot expect help from outside the Agency if we are not doing everything we can to protect our own cover.

Q: Will there be increased responsibilities for the Chiefs of Station abroad as a result of the reorganization of the Intelligence Community?

A: The responsibilities of the Chiefs of Station abroad will remain basically unaltered by the increased responsibilities given the DCI in Presidential Directive/NSC-17, except they may be called upon to play a broader role in the coordination of the collection activities of the Intelligence Community.

Q: What is the relationship between CIA and Department of State's reporting on political and economic matters?

A: Clandestine means of collection should be employed only when the needed information is not obtainable by overt collectors in a timely manner. This guideline will contribute toward a more harmonious partnership with the Department of State in this field, which is under continuing review.

Q: What is the future of covert action?

A: The basic answer to this question is that covert action continues to be a significant CIA mission. It is recognized as such in E. O. 11905 which assigns this mission to CIA and by the Congress which (following lengthy and exhaustive investigation) has endorsed the continuing need for retaining a covert action capability in the CIA under strengthened Congressional and Executive Branch oversight. Insofar as the future of covert action is concerned, it is clear that we will only conduct covert action programs when there is a broad consensus within the government and the Congress that such involvements are vital to the national security interests of the United States, and only after more conventional alternatives to covert action have been thoroughly examined, tried, or discarded as impractical. At this point, CIA must be prepared to respond quickly and affirmatively to any tasks assigned to it. It is therefore incumbent on us to maintain and develop the basic skills and resources—including those in the paramilitary field—to carry out any assigned mission. So long as our foreign adversaries continue to threaten the national security interest of the United States and its allies, there will be a continuing need for a covert action capability.

MINORITY EMPLOYMENT

The progress we are making in hiring minority applicants is most gratifying. The Office of Personnel has just reported that during Fiscal Year 1977, we entered on duty 60 minority applicants (43 blacks and 17 Hispanics) compared to 39 (21 blacks and 18 Hispanics) in Fiscal Year 1976. This represents an increase of approximately 54% over Fiscal Year 1976, and is the largest number of minorities the Agency has entered on duty in any 12-month period in its entire history. It is also encouraging that the 4th quarter statistics indicate an upward trend in the number of minorities hired, and that some are in the middle grades. The new Fiscal Year is starting off well as we have entered on duty nine more minority applicants (6 blacks and 3 Hispanics) in the first month. This is the highest number of minority applicants we have ever entered on duty in a one month period. I commend the Office of Personnel and those Minority Employment Coordinators who are working diligently to improve the Agency's position in this all important field.



STANSFIELD TURNER
Director

DCT

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DD/A Registry

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DDO Reduction In Force

The DDO has completed notification of all those employees who will be affected by the FY 1978 personnel reduction program. It has not been an easy task for any of us, but I sincerely believe that these reductions are essential to the long-term health of the DDO as an organization. If we are to attract high-quality people, we must present job opportunities that represent a meaningful challenge to them. We cannot be a proud and efficient organization if we are over-staffed. We will endeavor in every way to find other openings within the Agency for DDO people whose skills can be transferred, and to locate others in outside employment. Finally, I would emphasize that our objective in this action has been to strengthen the DDO and to build for its future.

(2)

CIA Tours

As A RESULT

WERE CONDUCTED

We have studied the results of the CIA family tours that we ran on a test basis on three successive Saturdays, and have ^{WE CONCLUDED} determined that it would be impractical to provide regular public tours at Headquarters. We will, however, continue to provide recognized groups an opportunity to visit the Agency when the visit can be scheduled well in advance. This decision will be announced in a news release on 4 November, which is printed below in its entirety.



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

PUBLIC AFFAIRS

Phone: (703) 351-7676

4 November 1977

DECISION MADE ON CIA TOURS

The CIA will provide groups from recognized organizations and institutions an opportunity to visit its Headquarters building in Langley, Virginia.

However, after several weeks of testing, it has been determined that the Central Intelligence Agency cannot provide regular public tours of the Headquarters.

Serious consideration had been given to such a project for several months. Eight trial tours for members of Agency employees' families were conducted. About 3,700 persons participated in those tours, which consisted of a slide presentation on the history of intelligence and the viewing of several exhibits on the ground floor of the Headquarters building.

The trials confirmed that a wide variety of logistics problems would make it impossible to conduct tours for the general public. It is impractical to conduct public tours on working days because visitors would interfere with the normal business of the Agency. Public tours on weekends also were ruled out primarily because of the very limited number of people who could be accommodated, with the attendant problem of arranging an equitable means of distributing tickets. The number of Agency personnel necessary to operate the tours and maintain necessary security also proved prohibitive.

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-END-

(3)

Questions From Overseas Trip

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Q: What is being done, or can be done, to protect the cover of Station Personnel?

A: Improving cover for our personnel is one of my key concerns. It is unfair to ask our people to make the sacrifices they do and perform the outstanding work they do without the necessary support of good cover. I assure you we are working to achieve this here in Washington, and I am receiving good cooperation in this regard. While I do not see any immediate dramatic steps that can be taken, I am generally optimistic that over the longer run we can make substantial improvements. I also urge all of our personnel to insure that we follow our own security procedures rigorously. We cannot expect help from outside the Agency if we are not doing everything we can to protect our own cover.

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- 3 -

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(4)

Minority Employment

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Very gratifying

This is the highest number of minority applicants we have ever entered on duty in a one month period.

Organizational Matters

Two important organizational steps have just been completed in furtherance of the Presidential decisions on the Intelligence Community:

(1) On 3 October, [redacted] US Army

25X1A

25X1A (Ret.) became the Director of the National Intelligence Tasking Center. [redacted] comes to us with a superb record in analytic work, military operations, and engineering, and I am most happy that he is joining the Intelligence Community.

His initial work will be to organize the National Intelligence Tasking Center (NITC) established by [redacted] Presidential Directive. Organizationally this will have only minor impact on the Agency. In time, the tasking function of the NITC should be beneficial to our Agency collection functions by coordinating them more closely with those of other agencies.

(2) On 11 October, the DDI and the NIO were merged to form a new organization under the DCI, the National Foreign Assessment Center (NFAC). [redacted] will head the new Center and [redacted] will be his deputy. NFAC will receive its support from DDA and other CIA elements.

~~With these changes our organization will look like this:~~

~~(Cartography is preparing chart from attached draft to be inserted here)~~

~~153
Put in
Chart~~

Looking at the overall picture
I will
With these changes our organization will look like this:
I will continue to hold the two hats of DCI and Head of CIA; the DDCI will continue to concentrate most of his efforts on the day-to-day running of CIA; the DDA continues to support CIA

** My understanding was that fact recommended this change be deleted Approved For Release 2002/11/04 : CIA-RDP80-00473A000300080006-9
before it got to Herb. Source unknown.*

Directorates as well as other Community elements; DDO and DDS&T continue to report to the DCI through ^{the} DDCI; the O/DCI staff elements continue to serve as before; the name of the IC Staff is ^{to be} changed ~~to reflect~~ ^{reflects} ~~as~~ ^{the} new ~~becomes~~ function focused on Budget and Evaluation; and the NITC and NFAC come into being.

Still under discussion is organizational placement of DCD. With this one exception, we plan no other organizational changes in the foreseeable future. During ~~the next session of this Congress, it may be necessary to make some adjustments in the laws (e.g., the IC Staff has a numerical limitation and separate funding, there is no provision for an NITC, etc).~~ After the next session of this Congress, it may be necessary to make some adjustments in the laws (e.g., the IC Staff has a numerical limitation and separate funding, there is no provision for an NITC, etc). In short, we are off and running and can concentrate on the job at hand rather than organization issues. At last!

not yet

Organization - Central Intelligence Agency

DIRECTOR OF
CENTRAL INTELLIGENCE /CIA

EXECUTIVE SECRETARIAT

DEPUTY DIRECTOR OF
CENTRAL INTELLIGENCE

PUBLIC
AFFAIRS

EQUAL
EMPLOYMENT
OPPORTUNITY

GENERAL
COUNSEL

LEGISLATIVE
COUNSEL

INSPECTOR
GENERAL

COMPTROLLER

SUPPORT

DEPUTY DIRECTOR
FOR
OPERATIONS

DEPUTY DIRECTOR
FOR
ADMINISTRATION

DEPUTY DIRECTOR
FOR SCIENCE AND
TECHNOLOGY

DEPUTY TO
DCI FOR
NATIONAL
INTELLIGENCE/
Director,
National
Foreign
Assessment
Center

DEPUTY TO
DCI FOR
COLLECTION
TASKING/
Director,
National
Intelligence
Tasking
Center

DEPUTY TO
DCI FOR
BUDGET AND
EVALUATION/
Director,
Budget and
Evaluation
Staff

Admiral Turner has
already approved this
item.

Employee Rights To Privacy

An Agency employee recently wrote to me expressing his concern as to whether CIA was currently conducting, or had recently conducted, any projects which infringed on the rights or privacy of CIA personnel such as telephone bugging. He suggested that I investigate this matter.

At my direction, the ^{Office of the} Inspector General's (IG) office has investigated whether there are any such projects or activities involving unwitting Agency employees or other American citizens. The IG assures me that it has investigated those offices that could conceivably engage in such activities, and no improper projects or operations are being conducted or contemplated. Those activities that were questionable were terminated some years ago.

As you know, I have a responsibility to protect classified information and intelligence sources and methods. In this regard, Executive Order 11905 gives me the authority to determine the continued loyalty of CIA employees or the existence of any employee vulnerabilities that might lead to a security breach. I utilize the Office of Security's reinvestigation program to carry out this responsibility. However, there is nothing surreptitious in the conduct of this program. Employees are informed that they are being reinvestigated and if any information is developed on an individual that seems to have security

(OS)

implications, the individual is provided an opportunity to explain his or her actions. I assure you that access to ~~Office of Security (OS)~~ records on Agency employees is restricted to those OS employees who have a need to know. Medical information on employees is also very closely held and can be released only to an employee's personal physician with the employee's approval. If there were allegations or evidence that an Agency employee had committed espionage or a disloyal act, the issue would be referred to the FBI for investigation.

As I have stated in previous communications, if you are told to take some action which you believe to be improper in regard to the Agency's responsibilities or the privacy rights of Americans, or if you hear of actions by others which appear questionable, you should report your concerns directly to me or to the IG or send them to the Intelligence Oversight Board. Such concerns will be fully investigated.

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Ann # 13

Alcohol Rehabilitation Program

Alcoholism is a disease that will affect five to ten percent of American adults at some time in their lives. Agency employees are not immune. Alcoholism is also a disease that can be treated successfully.

The Agency's Program for the Prevention and Treatment of Alcoholism is set forth in Headquarters Regulation [redacted] This program ensures that an employee with an alcohol problem will receive the same consideration and assistance that is extended within the Agency's official capabilities for any other illness or health problem. I urge all employees to reread that regulation.

STATINTL

The first step in any rehabilitation program is for the employee to recognize that he or she has a problem. An employee may seek confidential counselling with the Office of Medical Services without prejudice to his career and without reports to his supervisor. In addition, there are employees who are Alcoholics Anonymous volunteers available to counsel others suffering from alcoholism. An employee with a drinking problem should contact [redacted] who can refer him or her to one of these AA volunteers.

Alcoholism can ruin one's career and family life. I endorse the Agency's efforts to rehabilitate these employees and return them to useful lives. I encourage afflicted employees to seek help. & supervisors who detect signs of alcoholism to counsel them such persons appropriately.

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Field Trip

In September I completed my first trip to the field, visiting

[redacted] I was most impressed by the
professionalism and the dedication of the people I visited. I
hope to make similar trips about every four^{to} five months.

Proposed Tax Reform

As part of the Administration's tax reform proposals earlier this year, the Treasury Department considered the repeal of Section 912 of the Internal Revenue Code. This move would have caused allowances and benefits incidental to government travel and PCS assignment to be taxable as additional income. However, Treasury Secretary Blumenthal has informed us that upon review the Treasury Department does not intend to propose this change, and *it is highly unlikely* that the House Ways & Means Committee would take such action unilaterally. Present assessment is that Section 912 will not be amended during this Congress. I am firmly committed to maintaining these benefits for our employees, those serving overseas and domestically, to ensure they do not suffer financially because of their assignments for the Agency.

The Handicapped Program

Each year in October, one week is designated as National Employ the Handicapped Week.¹ This week is the major national event ~~celebrating~~ ^{drawing attention} the abilities of disabled people, and focusing on the ways the entire society--employers, private citizens, government officials--can together create a climate conducive to equality for disabled persons.

President Carter's recent statement that "the time for discrimination against the handicapped in the United States is over" means two things to me--attitudinal barriers toward hiring qualified disabled persons must be torn down; and employment at the highest level for which a person is qualified must be recognized as a right not to be abridged by reason of the existence of a handicapping condition. I share the President's concern for our disabled citizens and support the programs designed to provide full employment and advancement opportunity for those qualified to meet our needs.

I wish to emphasize my personal interest in the progress and activities of the handicapped. To this end I would like to meet with a representative group of handicapped persons to discuss their problems and perceptions. If you would like to participate,

STATINTL please contact [redacted] of my staff.

Use of the Suggestion Boxes

On 15 June I announced the institution of suggestion boxes around the buildings to enable employees to communicate their ideas directly and privately to me or senior managers in the Agency. To date we have received only 33 suggestions; all of them were sent directly to their addressees or the appropriate official for action. Some good ideas have been suggested and implemented while other ideas are currently under review. Since I cannot contact each and every employee individually, I urge everyone to use the suggestion boxes to get his/her ideas and suggestions to us because we all benefit from such exchanges.

Commendation for Graphics

Last week the President specifically commended the excellent work of our graphics department. He said that it is the best graphics work he has seen and that it is most helpful to him. Immediately after this, I had needed STAT [redacted] for some special graphics in support of the President, and [redacted] in the Visual Design Branch, [redacted] in OACR and his staff worked well into the wee hours for two nights in a row to produce them -- as usual the work was superb.

I might add that many [redacted] other people deserve to share in this praise from the President, ~~for it is~~ certainly the clarity of thinking of our analysts that helps to make our graphics so good.

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.... analysts that helps to ensure the fine quality of our graphics.

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Notes from the Director

No. 15

17 November 1977

During my recent European trip I met with a number of Agency personnel who asked questions which I believe are of concern to all employees. I answered some in the last issue of my "Director's Notes" and will continue to do so in this and future issues.

1. What are the prospects for an official secrets act?

While neither the Congress nor the Executive Branch has been or is considering legislation akin to an "official secrets act" such as that in force in Great Britain, legislation has been introduced this year in the House that would establish criminal penalties for the unauthorized disclosure of intelligence sources and methods information by any person who obtained authorized possession of such information. This legislation would penalize only the person divulging the information, but would not criminalize receipt of the information by, for example, a newspaper, as would be the case under an "official secrets act." A similar bill was introduced during the last session of the 94th Congress, but no action was taken on it. Prospects for enactment of the bill during this Congress (which continues through 1978), however, are slim, although the Senate Select Committee on Intelligence is giving this matter consideration.

2. Will the Agency provide legal assistance to someone indicted for illegal actions carried out under orders?

The Agency has no authority to represent CIA employees in their individual capacities. This representation function belongs to the Department of Justice (DOJ) by statute.

On 31 January 1977, the Attorney General issued a statement of policy as to limits within which the DOJ will provide legal counsel for federal employees or former employees who are involved as individuals in employment-related judicial or Congressional proceedings. In general, the DOJ will undertake to represent a current or former employee who is sued or subpoenaed as an individual in a state criminal proceeding, or in a civil or Congressional proceeding, in connection with actions

which reasonably appear to have been performed within the scope of employment, providing the employee is not the target of a federal criminal investigation or an indictment with respect to the same actions. The Office of General Counsel has been designated as the recipient of requests for such representation.

The policy and procedures are explained more fully in [redacted] dated 28 September 1977. The information was made available to the field several months ago in a cable.

STATINTL

3. Do the new rules on annuitants mean that retired military on contract will be let go?

The regulations that we have published on hiring of annuitants, military or civilian, are intended to protect the interests of our full-time career employees in advancing within the Agency. The regulations simply state that we will not hire an annuitant if the position can equally well be filled by someone inside the Agency. The extension of current contracts with annuitants will be looked at in exactly this same light. In short, if some Agency employee could move into the annuitant's position satisfactorily, we will give preference to the regular employee. On the other hand, if the particular skill necessary is not available and we would have to go outside to recruit it, there is no bar whatsoever to hiring or renewing a contract with any type of annuitant.

4. What is the status of our current relationship with Congress and our oversight committees?

Our relationship with the Congress on the wide variety of legislative and liaison matters of mutual interest is excellent. We have been following closely, and analyzing the impact on the Agency and the Intelligence Community of, a large number of bills now active in the Congress ranging from changes in mandatory retirement to use of polygraphs by Government agencies. We have been working with the Senate Select Committee on Intelligence for well over a year now, and our relationship is extremely good on both oversight matters and on issues relating to legislation (including the matter of drafting a new intelligence charter). We are also providing current intelligence briefings to our oversight Committees and substantive intelligence product to these Committees and to other members and committees. The new House Permanent Select Committee on Intelligence is off to a fine start, and from my dealings thus far with the Committee I fully anticipate we will have the same beneficial relationship with that Committee just as we do with the Senate Committee.

5. How has our intelligence product been received at the White House?

I have had considerable give and take with the White House since my appointment. This has resulted in new emphasis on the President's Daily Brief, and we have attempted to focus our coverage on those intelligence questions of top concern to the President. He tells me he is well satisfied with what we are providing to him. On occasion he has requested coverage of specific items of particular concern to him, or made marginal comments on what we have sent him; and this aids us tremendously in our efforts to hit the mark.

In my one-on-one briefing sessions, I like to offer the President a few short information items and/or an in-depth presentation on a major policy issue. The President has indicated that he finds this placing of his problems in perspective extremely useful.

Dr. Brzezinski has suggested he would like to see improvements in our collection and reporting of "political" situations worldwide. This is not an easy task with our access limited in some critical areas. We nonetheless are striving to fill this need, and I believe the setting of new priorities by the PRC under the reorganization plan will aid us in this effort.

6. What is the National Intelligence Tasking Center, and how is it going to task operations in the field?

On 4 August 1977, after completing his review of the NSC studies on the organization and functions of the Intelligence Community, the President issued his decisions which effect certain changes in the Intelligence Community. One purpose of these changes is to centralize one of the most critical national intelligence management functions—tasking of our collection assets. The President's decisions give the DCI full control of a new mechanism for coordinating and tasking all national foreign intelligence collection activities. This new mechanism is the National Intelligence Tasking Center (NITC). The NITC will be the central mechanism by which the DCI:

- Translates national foreign intelligence requirements and priorities into specific collection objectives and targets for the Intelligence Community;
- Assigns targets and objectives to national foreign intelligence collection organizations and systems;
- Establishes standards for the timely dissemination and processing exploitation of data for national foreign intelligence purposes gathered by national foreign intelligence collection means, and ensures the resulting intelligence flow is routed immediately to relevant components and commands;
- Integrates Intelligence Community collection efforts in support of the National Security Council and Special Coordination Committee in crisis management activities; and
- Provides advisory tasking with respect to collection of national foreign intelligence information to departments and agencies that have information collection capabilities or intelligence assets that are not a part of the National Foreign Intelligence Program. In this regard, particular emphasis will be placed on increasing the contribution of departments or agencies to the collection of information through overt means.

STATINTL
On 3 October 1977, I appointed [redacted]
(Retired) Deputy to the Director of Central Intelligence for Collection Tasking.
[redacted] will be responsible for directing the NITC. The new organization is still in the formative stages pending the issuance of an Executive Order to implement

STATINTL

the President's decisions. It is anticipated, however, that the new organization will evolve from and build on the existing collection committees.

7. What is the future of Management by Objectives?

Management by objective (MBO), popularized by management theorist and consultant Peter Drucker, has been employed in both Government and industry for many years. It was introduced within the Government in 1974 as a formal management "system" by the Office of Management and Budget. With the change of Administration, OMB's requirement for a formal MBO system was removed. The future use of the MBO technique in CIA is currently under review.

8. What is our relation with the National Security Council?

As the President's principal intelligence advisor, I continue to attend the NSC meetings. The Policy Review Committee (PRC), which was established to develop Presidential national security policy, is under my chairmanship when it meets on the business of intelligence. When so convened this group has assumed the full functions and responsibilities of the previous Committee on Foreign Intelligence (CFI).

CIA participation in NSC Departmental Groups and Ad Hoc Groups is much the same as it was in similar groups under different names in previous administrations. For instance, our close intelligence role in the critical SALT negotiations continues unabated here in Washington.

CIA daily, ad hoc support of NSC staff is quite extensive; quick response memoranda are frequently solicited and delivered. A significant segment of this work has been in support of US review of critical problems like the Middle East and Africa, including visits to those areas by Secretary Vance and Ambassador Young, as well as papers designed to prepare for additional visits to the USSR and China by the Secretary.

9. Are you as Director satisfied with the Inspector General's handling of complaints?

There are few processes that cannot be improved upon and I believe that the grievance and complaint handling process, which is vital to the well-being of the Agency, should be improved in whatever way possible. I have already authorized an increase in the size of the Inspector's General Staff, in part so that grievances and complaints may be investigated more expeditiously. The Inspector General, for his part, has established a new group within his office which will specialize in such matters and is personally available for consultation if any person is dissatisfied with the handling of a grievance or complaint.

In its staff capacity to me the Inspector General's Office is the apex of the grievance and complaint system which starts with an employee's immediate supervisor and proceeds through the normal chain of command within an employee's component, including component grievance officers, beyond that to the Director of Personnel, and then to the Inspector General (except in the case of EEO grievances which are processed according to a special system). Grievance and complaint handling is thus the business of all supervisors. While those with complaints may lodge them directly with the Inspector General, or with me personally if they wish, it

is my hope that day-to-day leadership and management will anticipate problems or resolve them at an early stage so that careers will not be hurt and debilitating situations can be avoided.

All grievances and complaints cannot, of course, be satisfied, sometimes for reasons of law or regulation. However, Agency employees should feel that an objective review has been made and an equitable resolution genuinely sought. This is my goal for the Agency's grievance and complaint handling process. I know the Inspector General shares it.

10. What is the latest status of the proposal to tax overseas allowances?

At this time it appears that the Treasury Department will not propose repeal of section 912 of the Internal Revenue Code (taxation allowances) as part of the Department's tax reform proposal to be submitted to the President. While the House Ways and Means Committee is developing tax legislation and might consider repealing section 912, we still believe such action unlikely at least during this Congress.

11. What is the quality of recruits that we are getting?

The quality of recruits remains at least as high as it has been in the Agency's history. We are able to select from a large number of applicants. In fiscal year 1976, our recruiters conducted almost 14,000 interviews from which only 388 professional and technical applicants were selected to enter on duty. The quality of individuals applying for professional jobs is outstanding: Phi Beta Kappas, Cum Laudes, and Magna Cum Laudes are not uncommon. A goodly number of liberal arts honors graduates are rejected each year. They simply are not competitive with applicants who also have distinguished academic records, plus related work or military experience.

In surveys conducted at three different periods, the most recent survey showed that current applicants rate higher on professional test batteries than their predecessors. Our applicants are bringing ever higher levels of academic attainment. In fiscal year 1976, 56% of our new professional/technical employees had Bachelor Degrees, 25% had Master Degrees, 12% had PhD's, and only 7% had no degree. Twenty years earlier, 45% had Bachelor Degrees, 18% had Master Degrees, 3% had PhD's, and 34% had no degree.

The quality of our clerical employees also continues to improve. Here, too, we vigorously pursue the brightest and best qualified applicants. Although the Civil Service Commission permits a self-certification, the Agency continues to require passing scores on typing and shorthand tests for applicants who use these skills. In order to insure higher quality of clerical employees, we raised the passing score on the clerical aptitude test by ten points in February 1977.

Continuing incentives which will attract into and retain in our Agency topflight people is my foremost goal. Unless we maintain our record here, our Agency and its product are bound to deteriorate.

12. Explain your relationship with the President and the Cabinet.

By Presidential Direction the DCI is the primary advisor to the President on national foreign intelligence. In this position, I am required to keep the President informed on critical foreign issues and on the conclusions of our estimative and analytical work. As coordinator of Intelligence Community affairs, I advise the President on Community intelligence concerns. I also annually submit to the President my proposed budget for the entire National Foreign Intelligence Program.

I meet personally with President Carter weekly to brief him on issues which I believe should be brought directly to his attention and to receive his guidance. In addition, while I am not a member of the Cabinet, I attend the weekly Cabinet meetings by invitation of the President to provide guidance on foreign intelligence matters as they are discussed. I also attend meetings of the National Security Council. These private meetings with the President and my presence at the Cabinet and NSC meetings give me the kind of close association with the President that is so essential to the accomplishment of the intelligence mission.

The President has indicated very explicitly that he personally intends to participate in the process of formulating requirements, setting priorities and evaluating our product. I can assure you that President Carter and Vice President Mondale are personally receiving our product and that we have their interest and support.

13. We continue to get broader requirements levied on us, new areas of reporting, yet we are simultaneously getting cuts in personnel and money. How will we meet these commitments?

The personnel cuts we are taking stem from a conviction that we are overstaffed in Headquarters. Overstaffing does not promote efficiency or effectiveness. I sincerely believe that we will be able to do more with less in this instance.



STANSFIELD TURNER
Director

DIRECTOR'S NOTES

During my recent European trip I met with a number of Agency personnel who asked questions which I believe are of concern to all employees. I answered some in the last issue of my "Director's Notes" and will continue to do so in this and future issues.

1. What are the prospects for an official secrets act?

While neither the Congress nor the Executive Branch has been or is considering legislation akin to an "official secrets act" such as that in force in Great Britain, legislation has been introduced this year in the House that would establish criminal penalties for the unauthorized disclosure of intelligence sources and methods information by any person who obtained authorized possession of such information. This legislation would penalize only the person divulging the information, but would not criminalize receipt of the information by, for example, a newspaper, as would be the case under an "official secrets act." A similar bill was introduced during the last session of the 94th Congress, but no action was taken on it. Prospects for enactment of the bill during this Congress (which continues through 1978), however, are slim, although the Senate Select Committee on Intelligence is giving this matter consideration.

2. Will the Agency provide legal assistance to someone indicted for illegal actions carried out under orders?

The Agency has no authority to represent CIA employees in their individual capacities. This representation function belongs to the Department of Justice (DOJ) by statute.

On 31 January 1977, the Attorney General issued a statement of policy as to limits within which the DOJ will provide legal counsel for federal employees or former employees who are involved as individuals in employment-related judicial or Congressional proceedings. In general, the DOJ will undertake to represent a current or former employee who is sued or subpoenaed as an individual in a state criminal proceeding, or in a civil or Congressional proceeding, in connection with actions which reasonably appear to have been performed within the scope of employment, providing the employee is not the target of a federal criminal investigation or an indictment with respect to the same actions. The Office of General Counsel has been designated as the recipient of requests for such representation.

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The policy and procedures are explained more fully in [redacted] dated 28 September 1977. The information was made available to the field several months ago in a cable.

5. Do the new rules on annuitants mean that retired military on contract will be let go?

The regulations that we have published on hiring of annuitants, military or civilian, are intended to protect the interests of our full-time career employees in advancing within the Agency. The regulations simply state that we will not hire an annuitant if the position can equally well be filled by someone inside the Agency. The extension of current contracts with annuitants will be looked at in exactly this same light. In short, if some Agency employee could move into the annuitant's position satisfactorily, we will give preference to the regular employee. On the other hand, if the particular skill necessary is not available and we would have to go outside to recruit it, there is no bar whatsoever to hiring or renewing a contract with any type of annuitant.

6. What is the status of our current relationship with Congress and our oversight committees?

Our relationship with the Congress on the wide variety of legislative and liaison matters of mutual interest is excellent. We have been following closely, and analyzing the impact on the Agency and the Intelligence Community of, a large number of bills now active in the Congress ranging from changes in mandatory retirement to use of polygraphs by Government agencies. We have been working with the Senate Select Committee on Intelligence for well over a year now, and our relationship is extremely good on both oversight matters and on issues relating to legislation (including the matter of drafting a new intelligence charter). We are also providing current intelligence briefings to our oversight Committees and substantive intelligence product to these Committees and to other members and committees. The new House Permanent Select Committee on Intelligence is off to a fine start, and from my dealings thus far with the Committee I fully anticipate we will have the same beneficial relationship with that Committee just as we do with the Senate Committee.

7. How has our intelligence product been received at the White House?

I have had considerable give and take with the White House since my appointment. This has resulted in new emphasis on the President's Daily Brief, and we have attempted to focus our coverage on those intelligence questions of top concern to the President. He tells me he is well satisfied with what we are providing to him. On occasion he has requested coverage of specific items of particular concern to him, or made marginal comments on what we have sent him; and this aids us tremendously in our efforts to hit the mark.

In my one-on-one briefing sessions, I like to offer the President a few short information items and/or an in-depth presentation on a major policy issue. The President has indicated that he finds this placing of his problems in perspective extremely useful.

✓ Prof. Brzezinski has suggested he would like to see improvements in our collection and reporting of "political" situations worldwide. This is not an easy task with our access limited in some critical areas. We nonetheless are striving to fill this need, and I believe the setting of new priorities by the PRC under the reorganization plan will aid us in this effort.

8. What is the National Intelligence Tasking Center, and how is it going to task operations in the field?

On 4 August 1977, after completing his review of the NSC studies on the organization and functions of the Intelligence Community, the President issued his decisions which effect certain changes in the Intelligence Community. One purpose of these changes is to centralize one of the most critical national intelligence management functions--tasking of our collection assets. The President's decisions give the DCI full control of a new mechanism for coordinating and tasking all national foreign intelligence collection activities. This new mechanism is the National Intelligence Tasking Center (NITC). The NITC will be the central mechanism by which the DCI:

- Translates national foreign intelligence requirements and priorities into specific collection objectives and targets for the Intelligence Community;
- Assigns targets and objectives to national foreign intelligence collection organizations and systems;
- Establishes standards for the timely dissemination and processing exploitation of data for national foreign intelligence purposes gathered by national foreign intelligence collection means, and ensures the resulting intelligence flow is routed immediately to relevant components and commands;

-- Integrates Intelligence Community collection efforts in support of the National Security Council and Special Coordination Committee in crisis management activities; and

-- Provides advisory tasking with respect to collection of national foreign intelligence information to departments and agencies that have information collection capabilities or intelligence assets that are not a part of the National Foreign Intelligence Program. In this regard, particular emphasis will be placed on increasing the contribution of departments or agencies to the collection of information through overt means.

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On 3 October 1977, I appointed [redacted]

[redacted] USA (Retired) Deputy to the Director of Central Intelligence for

STATINTL Collection Tasking. [redacted] will be responsible for directing the NITC. The new organization is still in the formative stages pending the issuance of an Executive Order to implement the President's decisions. It is anticipated, however, that the new organization will evolve from and build on the existing collection committees.

13. What is the future of Management by Objectives?

Management by objective (MBO), popularized by management theorist and consultant Peter Drucker, has been employed in both Government and industry for many years. It was introduced within the Government in 1974 as a formal management "system" by the Office of Management and Budget. With the change of Administration, OMB's requirement for a formal MBO system was removed. The future use of the MBO technique in CIA is currently under review.

14. What is our relation with the National Security Council?

As the President's principal intelligence advisor, I continue to attend the NSC meetings. The Policy Review Committee (PRC), which was established to develop Presidential national security policy, is under my chairmanship when it meets on the business of intelligence. When so convened this group has assumed the full functions and responsibilities of the previous Committee on Foreign Intelligence (CFI).

CIA participation in NSC Departmental Groups and Ad Hoc Groups is much the same as it was in similar groups under different names in previous administrations. For instance, our close intelligence role in the critical SALT negotiations continues unabated here in Washington.

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[Redacted]

CIA daily, ad hoc support of NSC staff is quite extensive; quick response memoranda are frequently solicited and delivered. A significant segment of this work has been in support of US review of critical problems like the Middle East and Africa, including visits to those areas by Secretary Vance and Ambassador Young, as well as papers designed to prepare for additional visits to the USSR and China by the Secretary.

17. Are you as Director satisfied with the Inspector General's handling of complaints?

There are few processes that cannot be improved upon and I believe that the grievance and complaint handling process, which is vital to the well-being of the Agency, should be improved in whatever way possible. I have already authorized an increase in the size of the Inspector's General Staff, in part so that grievances and complaints may be investigated more expeditiously. The Inspector General, for his part, has established a new group within his office which will specialize in such matters and is personally available for consultation if any person is dissatisfied with the handling of a grievance or complaint.

In its staff capacity to me the Inspector General's Office is the apex of the grievance and complaint system which starts with an employee's immediate supervisor and proceeds through the normal chain of command within an employee's component, including component grievance officers, beyond that to the Director of Personnel, and then to the Inspector General (except in the case of EEO grievances which are processed according to a special system). Grievance and complaint handling is thus the business of all supervisors. While those with complaints may lodge them directly with the Inspector General, or with me personally if they wish, it is my hope that day-to-day leadership and management will anticipate problems or resolve them at an early

stage so that careers will not be hurt and debilitating situations can be avoided.

All grievances and complaints cannot, of course, be satisfied, sometimes for reasons of law or regulation. However, Agency employees should feel that an objective review has been made and an equitable resolution genuinely sought. This is my goal for the Agency's grievance and complaint handling process. I know the Inspector General shares it.



18. What is the latest status of the proposal to tax overseas allowances?

At this time it appears that the Treasury Department will not propose repeal of section 912 of the Internal Revenue Code (taxation allowances) as part of the Department's tax reform proposal to be submitted to the President. While the House Ways and Means Committee is developing tax legislation and might consider repealing section 912, we still believe such action unlikely at least during this Congress.

A handwritten signature consisting of two stylized, overlapping loops or 'M' shapes.

20. What is the quality of recruits that we are getting?

The quality of recruits remains at least as high as it has been in the Agency's history. We are able to select from a large number of applicants. In fiscal year 1976, our recruiters conducted almost 14,000 interviews from which only 388 professional and technical applicants were selected to enter on duty. The quality of individuals applying for professional jobs is outstanding: Phi Beta Kappas, Cum Laudes, and Magna Cum Laudes are not uncommon. A goodly number of liberal arts honors graduates are rejected each year. They simply are not competitive with applicants who also have distinguished academic records, plus related work or military experience.

In surveys conducted at three different periods, the most recent survey showed that current applicants rate higher on professional test batteries than their predecessors. Our applicants are bringing ever higher levels of academic attainment. In fiscal year 1976, 56% of our new professional/technical employees had Bachelor Degrees, 25% had Master Degrees, 12% had PhD's, and only 7% had no degree. Twenty years earlier, 45% had Bachelor Degrees, 18% had Master Degrees, 3% had PhD's, and 34% had no degree.

The quality of our clerical employees also continues to improve. Here, too, we vigorously pursue the brightest and best qualified applicants. Although the Civil Service Commission permits a self-

certification, the Agency continues to require passing scores on typing and shorthand tests for applicants who use these skills. In order to insure higher quality of clerical employees, we raised the passing score on the clerical aptitude test by ten points in February 1977.

Continuing incentives which will attract into and retain in our Agency topflight people is my foremost goal. Unless we maintain our record here, our Agency and its product are bound to deteriorate.

22. Explain your relationship with the President and the Cabinet.

By Presidential Direction the DCI is the primary advisor to the President on national foreign intelligence. In this position, I am required to keep the President informed on critical foreign issues and on the conclusions of our estimative and analytical work. As coordinator of Intelligence Community affairs, I advise the President on Community intelligence concerns. I also annually submit to the President my proposed budget for the entire National Foreign Intelligence Program.

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The personnel cuts we are taking stem from a conviction that we are overstaffed in Headquarters. Overstaffing does not promote efficiency or effectiveness. I sincerely believe that we will be able to do more with less in this instance.

UNCLASSIFIED INTERNAL
USE ONLY CONFIDENTIAL SECRET

Approved For Routing AND: RECD PD-5473A000300080006-9

SUBJECT: (Optional) **RESPONSES TO**
 Questions Raised During the Director's European Trip

Executive Registry
77-9216/11

FROM: John F. Blake
 Acting Deputy Director of
 Central Intelligence

EXTENSION
 []

NO.

DATE

28 October 1977

25X1

TO: (Officer designation, room number, and building)

DATE

RECEIVED FORWARDER

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DCI	11 NOV 1977	ST/BG
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10.		
11.		
12.		
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15.		

Sir:

You have approved for publication the responses to questions 3, 4, 9, 10, and 11.

Attached are responses to all remaining questions, except No. 21 which deals with our relationship with the news media. Response to No. 21 will be provided as soon as we get the policy paper on the subject from OGC.

The responses to questions 12, 16, 19, and 26 are classified.

John F. Blake

Attachment:
 As Stated

STAT

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Approved For Release 2002/11/04 : CIA-RDP80-00473A000300080006-9
DATE

TRANSMITTAL SLIP

11 Nov 77

TO:

Mr. Blake

ROOM NO.

BUILDING

REMARKS:

I have rewritten the opening statement to conform with previously published language (in issue 14) and in anticipation that the DCI's answers will be carried in two or more subsequent issues of his Notes.

Please note that he does not want the classified items used.

To: Mike Malach
Please carefully review
& if OK, let's publish

FROM:

STATINTL

STAT

Approved For Release 2002/11/04 : CIA-RDP80-00473A000300080006-9



Notes from the Director

No. 18

19 December 1977

SENATE SELECT COMMITTEE REPORT

Senator Inouye recently made a report to the Senate on his year-and-a-half as the Chairman of the Senate Select Committee on Intelligence. The highlights are quoted below:

In recent years the Intelligence Community, particularly the CIA and the FBI, have been the targets of suspicion and abuse. There is no question that a number of abuses of power, mistakes in judgment, and failures by the intelligence agencies have harmed the United States. We, of course, hope that these abuses are behind us and will not occur again. These events did not happen in a vacuum. In almost every instance, the abuses that have been revealed were a result of direction from above, including presidents and secretaries of state. Further, in almost every instance, some members of both houses of Congress assigned the duty of oversight were knowledgeable about these activities.

Every organization, whether the Congress, the White House, the CIA, a corporation, a university, or a church, is made up of men and women with their full share of excellences and failures. With the exception of a very small number who broke the law or failed in their trust, we owe a great debt to our Intelligence Community. It is made up of men and women of unusual dedication and ability who serve our country under the most difficult of circumstances. We can be proud that they have come through the trials of the past several years with a clearer sense of purpose and with a strengthened belief in the value of a life of service to our nation.

The Intelligence Community has been in a turmoil over the past few years. It has been the subject of a number of Congressional inquiries, internal investigations, and intense criticism from the press and the public. With the support of the President and under the firm direction of Stansfield Turner, the Intelligence Community is in the process of creating a new organizational structure which should lead to more efficient coordination of its worldwide activities and a better overall intelligence product. It is my view that the intelligence agencies of the United States are now functioning under strict guidelines set forth by the President and the National Security Council, which

lay out clear missions, limitations, and accountability, as well as rigorous oversight by both the House and the Senate. While many improvements and reforms are called for, it is my evaluation that the present quality of the work of the United States Intelligence Community is good, and shows every sign of becoming better.

PRESIDENTIAL REPORT

I have reported previously the remarks of the President in support of the work of the Agency. Here is another example. The minutes of the Cabinet meeting of 14 November contain this entry:

The President said that one of the pleasant surprises since becoming President is the very high quality of CIA briefings. He urged Cabinet Departments to make use of relevant CIA information. Mr. Marshall, Secretary of Labor, said that his weekly briefing by the CIA is extremely helpful.

PROTECTION OF SOURCES AND METHODS

Inadvertent and unauthorized disclosures of sources and methods in the news media continue to be a serious problem. In protection of liberties and in alerting the public to grave issues facing the nation there is probably no equal to the American news media. They are well trained in seeking out stories and filling out an article to the fullest. That is their profession. Our profession, however, calls for secrecy. It is a tragedy to see articles in the news media quoting our intelligence reports verbatim and revealing sensitive sources and methods. Such disclosures inevitably curtail the effectiveness of, and sometimes eliminate altogether, some of our most important intelligence sources, human as well as technical. Overall, Agency people are very much aware of the damages that can accrue from inadvertent or deliberate leaks. I ask your continued cooperation in this task.

I raised this issue last week when I spoke to three different audiences of businessmen and to students at Yale University. In all cases there was genuine concern about our ability to preserve adequate secrecy in intelligence operations. This appreciation of our problem is encouraging. Anyone interested in reading the text of the speeches may obtain copies from the Public Affairs Office.

PERSONAL CONTACT WITH EMPLOYEES

I am continuing to meet about once a week with groups of Agency employees representing a wide variety of interests. These have included the Directorate Management Advisory Groups, Midcareer Course representatives, secretaries, women, handicapped, and summer interns. They have brought many important issues to my attention and have generated excellent suggestions. I have asked [redacted]

[redacted] Deputy Executive Secretary, to coordinate the staffing of each suggestion and to keep you informed of those which are implemented.

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The considerable effort of those who have participated in past groups is sincerely appreciated. As we continue to seek ways to improve the Agency as a place to work and to improve our product, I look to you for your best ideas, either through participation in a future group meeting or through suggestions sent directly to me.



STANSFIELD TURNER
Director

TRANSMITTAL SLIP		DATE <i>Fri /12/16/77</i>
TO: P&PD		
ROOM NO.	BUILDING	
REMARKS: PLS PRINT AND HAVE IN HQS DIST. FIRST RUN ON MONDAY - THIS MEANS SOMEONE FROM YOUR OFFICE MUST GET THEM TO THE MAIN MAILROOM BEFORE 0900 FOR EARLY DIST. THANKS, SYBIL "NOTES FROM THE DIRECTOR...NO 18."		
FROM:		
ROOM NO.	BUILDING	EXTENSION
FORM NO. 241 1 FEB 55		REPLACES FORM 36-8 WHICH MAY BE USED.
(67)		

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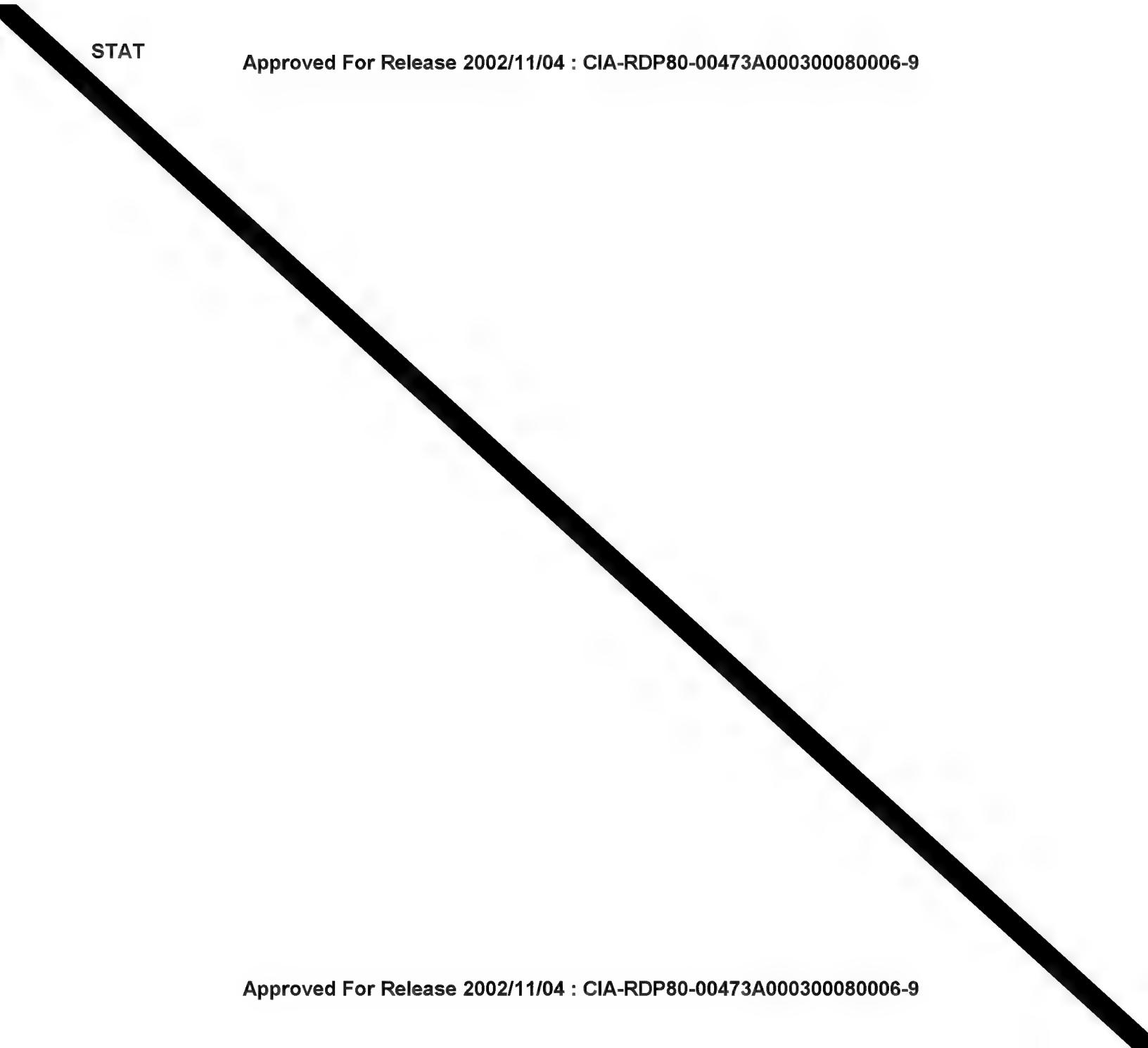
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Notes from the Director

No. 6

8 July 1977

CONTACT WITH CONSUMERS

In the last two weeks we have had a number of interesting contacts with some of our key consumers:

- The Vice President came to the Agency for a working luncheon-discussion with ten of our analysts on some of the foreign policy issues in which he is involved,
- Three of our analysts talked with Mrs. Carter about her trip to South America,
- Dr. Brzezinski and key members of his staff came to the Agency to discuss how we can better serve the White House needs and to see our facilities,
- Ambassador Andrew Young came out to discuss various African situations with various DDI and NIO people.

We are anxious to understand what support these and other customers need in the policy work that they are doing and these contacts will help us to serve them better.

ENERGY STUDIES

Our several energy studies continue to draw considerable attention and to hold up well. Last week OER participated in a public discussion of them with members of the business community at the Department of Commerce. They released an additional study on Chinese oil production and backup data on the Soviet energy situation. Our reports have stimulated a very useful debate and illuminated a critical problem of the world energy outlook.

INTELLIGENCE COMMUNITY REORGANIZATION

We have had several high-level meetings on the proposed reorganization plans. I believe that we are nearing a conclusion on this question and will advise you as soon as decisions are made. In the meantime I recommend being cautious about accepting the various rumors that seem to be running around.

BUDGET DEVELOPMENTS

I told you I would keep you advised of the status of our budget as we progressed through various stages of review and decision. We have received the mark-up of the FY78 budget from the House Appropriations Committee and should receive the corresponding mark-up from the Senate Appropriations Committee this week. Although our initial analysis indicates we will be appealing a number of the items identified for reduction, we were gratified by the generally favorable tone of the commentary in the House report and anticipate a similar expression of satisfaction from the Senate.

HIRING OF ANNUITANTS

As I have stated previously, I am anxious to insure that we offer good promotional opportunities for our younger professionals and an accession of new career talent. To help achieve this, I want to restrict lateral input of retirees into positions that could be filled from within our own ranks. I have undertaken the establishment of a new procedure which must be followed in hiring annuitants from any government service. This procedure restricts and controls hiring but does not prohibit it under certain circumstances. I recognize my responsibility to give consideration to hiring any qualified United States citizen for a position where a need exists; however, I also recognize the responsibility to our currently serving career employees in assuring that they have an opportunity to compete for any vacancy for which they are qualified.



STANSFIELD TURNER
Director

DDI Registry
File DTM 1-2

NOTES FROM THE DIRECTOR #6

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to our currently serving career employees in assuring that they have an opportunity to compete for any vacancy for which they are qualified.

On the subject of annuitants, it is interesting to note that the majority of these people do not inhibit promotional opportunities for Agency employees. As regards retirees from CIA and other civilian agencies and except for nine full-time people, these annuitants work on an intermittent basis or when their services are required. They do not occupy position slots. They do not block headroom for others. Consequently, the termination of any or all of these part-time annuitants would not open up advancement opportunities.

In addition to these civilians, mostly part-time annuitants, there are 217 military annuitants who are full-time staff employees. They do, of course, occupy position slots and are pursuing a second career in the Agency. They were hired because of their military skills, because they were more competitive, or because they had other unique qualifications. They presently comprise [redacted] percent of our total full-time complement as contrasted with six percent throughout the Federal Government.

STATINTL
6. "60 Minutes" Program: We have confirmed with CBS that the segment of "60 Minutes" dealing with the Agency remains scheduled for 10 July.

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Central Intelligence Agency
Washington, D.C. 20505
(703) 351-7676

7-6-77

Herbert E. Helu
Assistant for Public Affairs

Mike -

- Item on Mrs. Carter gives me trouble - bitter word than "debriefed"? talked with about..
- Still haven't been able to confirm this CBS Show —



STATINTL

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Notes from the Director #6

FROM:

Michael J. Malanick
Acting Deputy Director for Administration

EXTENSION

NO.

DATE 5 July 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED FORWARDER

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Director				
2.				
3. ADDA				
4.				
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Comptroller Contribution for the Director's Notes:

Bruylants

I told you I would keep you advised of the status of our budget as we progressed through various stages of review and decision. We have received the mark-up of the FY78 budget from the House Appropriations Committee and should receive the corresponding mark-up from the Senate Appropriations Committee this week. Although our initial analysis indicates we will be appealing a number of the items identified for reduction, we were gratified by the generally favorable tone of the commentary in the House report and anticipate a similar expression of satisfaction from the Senate. ~~In the meantime, I would like to reassure you on one matter. Allegations made in public debate by one member with regard to the use of our Reserve funds were based on incomplete facts and erroneous conclusions.~~

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USE ONLY CONFIDENTIAL SECRETApproved For Release 2002/11/04 : CIA-RDP80-00473A000300080006-9
ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Notes from the Director #6

DDA Registry

File 07M1-2

FROM: Michael J. Malanick Acting Deputy Director for Administration		EXTENSION	NO.
		DATE 5 July 1977	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS
	RECEIVED	FORWARDED	
1. Director			
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3. ADDA			
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NOTES FROM THE DIRECTOR #6

1. Contact with Consumers: In the last two weeks we have had a number of interesting contacts with some of our key consumers:

- The Vice President came to the Agency for a working luncheon-discussion with ten of our analysts on some of the foreign policy issues in which he is involved
- Three of our analysts debriefed Mrs. Carter on her trip to South America
- Dr. Brezenski and key members of his staff came to the Agency to discuss how we can better serve the White House needs and to see our facilities
- Ambassador Andrew Young came out to discuss various African situations with various DDI and NIO people

We are anxious to understand what support these and other customers need in the policy work that they are doing and these contacts will help us to serve them better.

2. Energy Studies: Our several energy studies continue to draw considerable attention and to hold up well. Last week OER participated in a public discussion of them with members of the business community at the Department of Commerce. They released an additional study on Chinese oil production and backup data on the Soviet energy situation. Our reports have stimulated a very useful debate and illuminated a critical problem of the world energy outlook.

3. Intelligence Community Reorganization: We have had several high-level meetings on the proposed reorganization plans. I believe that we are nearing a conclusion on this question and will advise you as soon as decisions are made. In the meantime I recommend being cautious about accepting the various rumors that seem to be running around.

4. Budget Developments: I told you I would keep you advised of the status of our budget as we progressed through various stages of review and decision. We have received the mark-up of the FY78 budget from the House Appropriations Committee and should receive the corresponding mark-up from the Senate Appropriations Committee this week. Although our initial analysis indicates we will be appealing a number of the items identified for reduction, we were gratified by the generally favorable tone of the commentary in the House report and anticipate a similar expression of satisfaction from the Senate.

5. Hiring of Annuitants: As I have stated previously I am anxious to insure that we offer good promotional opportunities for our younger professionals and an accession of new career talent. To help achieve this I want to restrict lateral input of retirees into positions that could be filled from within our own ranks. I have undertaken the establishment of a new procedure which must be followed in hiring annuitants from any government service. This procedure restricts and controls hiring but does not prohibit it under certain circumstances. I recognize my responsibility to give consideration to hiring any qualified United States citizen for a position where a need exists; however, I also recognize the responsibility

to our currently serving career employees in assuring that they have an opportunity to compete for any vacancy for which they are qualified.

On the subject of annuitants, it is interesting to note that the majority of these people do not inhibit promotional opportunities for Agency employees. As regards retirees from CIA and other civilian agencies and except for nine full-time people, these annuitants work on an intermittent basis or when their services are required. They do not occupy position slots. They do not block headroom for others. Consequently, the termination of any or all of these part-time annuitants would not open up advancement opportunities.

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Comptroller Contribution for the Director's Notes:

BW M
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